



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Matt Cano  
Margaret McCahan

**SUBJECT: PUBLIC WORKS 2019-2020  
STAFFING ADJUSTMENTS**

**DATE:** May 30, 2019

Approved

Date

5-30-19

## RECOMMENDATION

1. Approve the following amendments to the 2019-2020 Proposed Operating Budget in the General Fund:
  - a. Increase the estimate for Transfers and Reimbursements by \$140,000;
  - b. Increase the estimate for Fees, Rates and Charges by \$1,166,302;
  - c. Increase the Personal Services budget for the Public Works Department by \$776,302;
  - d. Increase the Non-Personal/Equipment budget for the Public Works Department by \$219,000; and
  - e. Increase the Essential Services Reserve by \$311,000.
2. Approve the following Public Works Department staffing changes to the 2019-2020 Proposed Operating Budget:
  - a. Add 1.0 Associate Engineering Technician position;
  - b. Add 1.0 Building Inspector Combination position;
  - c. Add 2.0 Engineer I/II positions;
  - d. Add 2.0 Engineering Technician I/II positions;
  - e. Add 1.0 Instrument Person position;
  - f. Add 2.0 Senior Construction Inspector positions; and
  - g. Add 1.0 Survey Field Supervisor position.

## BACKGROUND

After finalization of the 2019-2020 Proposed Operating and Capital Budget documents, the Administration identified additional staffing needs in the Public Works Department to successfully deliver the significantly increased pavement maintenance program, specifically

related to the Valley Transportation Authority (VTA) Measure B pavement funding, and to keep up with demand related to the permitting of small cell devices on the City's streetlight poles.

On November 8, 2016, Santa Clara County voters passed Measure B, a half-cent countywide sales tax remitted to the VTA for transportation improvements, including allocations to cities for pavement maintenance. With litigation challenging Measure B recently concluded, VTA Measure B funding allocated to the City of San José will be available for the paving season beginning June 2019. The 2020-2024 Proposed Capital Improvement Program estimates annual funding levels of \$18.9 million for VTA Measure B Pavement Maintenance, which will be primarily focused on local and neighborhood streets. Assistance from the Public Works Department is necessary to implement the paving program associated with this funding.

On June 26, 2018, the Administration presented to the City Council the framework for agreements with Mobilitie, LLC, AT&T, and Verizon for permitting of small cells, including those slated for installation on the City's streetlight poles. Resultant agreements were negotiated and executed with the three carriers for mutually beneficial strategic relationships to facilitate the planning, implementation, and management of the deployment of an advanced small cell wireless network, as well as the accelerated deployment of fiber optic network and associated services in accordance with the November 2017 Broadband and Digital Inclusion Strategy and in keeping with industry demands. Additional staffing resources are necessary to permit small cell activity in accordance with the agreements.

## **ANALYSIS**

### **VTA MEASURE B**

There are approximately 196 miles of local streets that are scheduled to be resurfaced and sealed in 2019-2020 directly related to VTA Measure B. In compliance with the Business and Professions Code 8771 (d), the City is responsible to ensure that survey monuments – often metal medallions embedded into pavement or sidewalks – are perpetuated after the construction activity. This will require the Public Works Department's Survey section to complete Monument Protection Services on an estimated 500 monuments annually that are primarily located within local and neighborhood streets. To meet the demand of the paving program, the following 4.0 positions will be needed.

#### *Engineer I/II:*

The addition of 1.0 Engineer I/II position is recommended to provide technical plan review and direction for all VTA Measure B Monument Protection Services prior to any street resurfacing activity. The development community relies upon city monuments when determining property boundaries and designing future improvements for commercial, retail, and residential developments.

*Survey Field Supervisor:*

The addition of 1.0 Survey Field Supervisor position is recommended to review and coordinate Monument Protection Services field surveys and calculations.

*Instrument Person:*

The addition of 1.0 Instrument Person position is recommended to set up, adjust, and operate all survey instruments and record field notes and maps from survey data to be used in Monument Protection Services.

*Engineering Technician I/II:*

The addition of 1.0 Engineering Technician I/II position is recommended to perform technical tasks such as taking measurements and preparing sketches of monument sites, aiding field staff, reviewing prints and maps to check alignment and location of monument sites, and marking monument references to ensure protection and preservation.

The table below lists the recommended positions and their estimated annual cost. These costs, including the corresponding overhead amount to reimburse the General Fund for centrally provided services, will be charged directly to the Pavement Maintenance – VTA 2016 Measure B project in the Construction Excise Tax Fund as reflected in the Traffic Capital Program.

*2019-2020 Proposed Staffing Changes  
Funded by the Pavement Maintenance VTA 2016 Measure B Project*

<b>Position Title</b>	<b>FTE</b>	<b>Estimated Annual Cost (\$)</b>
Engineer I/II	1.0	145,628
Survey Field Supervisor	1.0	134,565
Instrument Person	1.0	120,033
Engineering Technician I/II	1.0	107,626
<b>Total Personal Services Cost</b>	<b>4.0</b>	<b>507,852</b>
Overhead		140,000

Because the positions will charge directly to an existing capital project, no budget adjustments are recommended. However, in the 2019-2020 Adopted Budget, the cost of these positions will be reflected in the Public Works Department's personal services allocation charged to Capital Funds. There is a recommended budget action in this memorandum to increase the General Fund Transfers and Reimbursements revenue estimate by \$140,000 to reflect the anticipated overhead associated with these positions. These funds are recommended to be allocated to the General Fund Essential Services Reserve for allocation as part of the 2019-2020 budget process.

## SMALL CELL

The Small Cell Team has learned that, since January 2019, an ongoing permitting inefficiency remains rooted in the site-specific analysis of the electrical circuits related to streetlight poles. These circuits were built decades ago and never anticipated additional electrical equipment like small cells. Each electrical circuit feeding a streetlight pole is unique and must be reconciled between existing records and real-world field verification to protect the safety of the public and the workforce performing upgrades to the equipment. The greater the complexity of the circuit, the more time and resources are required to secure a safe circuit. Building on the success of sustaining 10 small cell permits per week in late 2018 for one mobile carrier, the Small Cell Team has identified the need for additional staff to meet minimum market demands for permitting speed and predictability while ensuring baseline safety with accurate electrical circuit design and installation.

Currently, a significant number of permits are being submitted as the mobile carriers scale to build the largest 5G deployment in the nation with 4,200 small cells and fiber backhaul. Six additional positions are needed in the Public Works Department's Development Fee Program – Utility Section to adequately support the City's Broadband Strategy and keep up with industry demands for access to City infrastructure in the right-of-way. These positions, which would bring the Small Cell permitting and inspection team from 16 to 20 positions, are critical to the small cell installations and fiber optic permitting as they will provide overall support for the program and permitting, as well as significant inspection and field services to meet industry demands.

### *Electrical Engineering:*

1.0 Engineer and 1.0 Associate Engineering Technician positions are recommended to address the increasing plan review activity. These positions will provide technical plan review including street lighting site and system designs, construction details, and voltage drop calculations. They will review all electrical material submittals for small cell projects.

### *Civil Inspection:*

2.0 Senior Construction Inspector positions are recommended to address the increasing workload related to construction/inspection of fiber optic and small cell attachments.

### *Electrical Inspection:*

1.0 Building Inspector Combo position is recommended to support the increasing activity in electrical inspection related to small cell installations. The area of the City that is being impacted by the small cell installations and pace of construction cannot be covered by the existing 1.0 Building Inspector Combo.

### *Underground Service Alert (USA) Locate:*

1.0 Engineering Technician I/II is recommended to support the increasing activity in utilities location related to fiber optic and small cell attachments.

In addition, funding for six vehicles is also requested to support inspection and field service activities. The Department currently uses two vehicles on loan from the capital program, which need to be returned for capital purposes. In addition, four vehicles are needed to support the recommended staffing additions and expected activity levels. The table below summarizes the total increased cost related to Small Cells, which will be offset by permit revenue received from the carriers.

*2019-2020 Proposed Adjustments to the Small Cell Permitting Program*

<b>PERSONAL SERVICES</b>		
<b>Position Title</b>	<b>FTE</b>	<b>Estimated Annual Cost (\$)</b>
Engineer I/II	1.0	145,628
Senior Construction Inspector	2.0	281,943
Building Inspector Combination	1.0	122,624
Associate Engineering Technician	1.0	118,481
Engineering Technician I	1.0	107,626
<b>Total Personal Services Adjustment</b>	<b>6.0</b>	<b>\$ 776,302</b>
<b>NON-PERSONAL/EQUIPMENT</b>		
Supplies & Materials		9,000
Vehicles (6)		210,000
<b>Total Non-Personal/Equipment Adjustment</b>		<b>\$ 219,000</b>
Overhead		\$ 171,000
<b>TOTAL COST</b>		<b>\$ 1,166,302</b>

Small cell fee revenue will cover the projected cost, and an increase of \$1,166,302 to the General Fund Fees, Rates and Charges estimate is recommended to reflect this fee revenue. Other budget actions include increases to the Public Works Personal Services budget (\$776,302) and Non-Personal/Equipment budget (\$219,000), and an increase of \$171,000 to the General Fund Essential Services Reserve to reflect the allocation of the overhead that is covered by the fee revenue.

The recommended adjustment to the Essential Services Reserve totals \$311,000 and includes \$140,000 associated with the VTA Measure B staff and \$171,000 associated with the Small Cell staff.

HONORABLE MAYOR AND CITY COUNCIL

May 30, 2019

**Subject: Public Works 2019-2020 Staffing Adjustments**

Page 6

**COORDINATION**

This memorandum was coordinated with the Transportation Department, the City Attorney's Office, and the Office of Civic Innovation.

/s/

Matt Cano

Director of Public Works

A handwritten signature in cursive script, reading "Margaret McCahan".

Margaret McCahan

Budget Director

For more information, please contact Matt Loesch, Deputy Director, Public Works at (408) 975-7381.